

City of Minneapolis Audit Committee

General Ledger Accounting Review #2013-03

**July 31, 2013
Regular Meeting**



General Ledger Accounting Review

#2013-03



Background

The City's Financial Accounting and Reporting function within Finance & Property Services (FPS) is responsible for General Ledger oversight. The City's Comprehensive Annual Financial Report (CAFR) is audited every year by the Minnesota State Auditor's Office; FPS is also responsible for follow-up for the action plans recommended by the State Auditors.

The City's general ledger contains all the accounts for recording transactions relating to the City's assets, liabilities, net assets, revenue and expenses. The general ledger is the backbone of any accounting system which holds financial and non-financial data for an organization.

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Objective

The review was performed to assess the adequacy of controls over processes related to general ledger accounting and test operating effectiveness in the areas of journal entries, system interfaces, account reconciliations and system access.

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Scope

This review included:

- Gaining an understanding of procedures/guidelines and controls over general ledger accounting (e.g. segregation of duties, authorization limits, system access and management monitoring);
- Reviewing a sample of journal entries for proper approval and adequacy of supporting documentation;
- Reviewing reconciliations for system interface, if applicable;
- Assessing the adequacy of training on emerging topics such as accounting and financial reporting; and
- Receiving an update on the 2011 State Auditor recommendations;

We performed, on a sample basis, testing of processes and transactions throughout 2012.

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Recommendations

There were no reportable findings noted during this review on which to recommend changes.

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Conclusion

There were no reportable findings noted during this review. FPS provided a status update as of March 31, 2013 on the Management and Compliance Report for the year ended December 31, 2011, which is summarized in *Appendix A* to the General Ledger Accounting Review report.